



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	HB0384	<b>Title:</b>	Revise volume cap bond procurement laws
<b>Primary Sponsor:</b>	Villa, Dan	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input checked="" type="checkbox"/> Technical Concerns   |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
Proprietary	\$19,847	\$19,847	\$19,847	\$19,847
<b>Revenue:</b>				
General Fund	\$19,847	\$19,847	\$19,847	\$19,847
Other	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$19,847</u>	<u>\$19,847</u>	<u>\$19,847</u>	<u>\$19,847</u>

**Description of fiscal impact:** The bill increases the amount state bond issuers must pay per thousand of bonds issued. This payment is deposited into the general.

### FISCAL ANALYSIS

#### Assumptions:

#### **Department of Administration**

1. The bond issuance fee will increase from 30 cents per thousand of bonds to 35 cents per thousand of bonds. This is a 16.67% increase.
2. The three-year average of bond issuance fees collected in FY 2006 through FY 2008 was \$119,059.
3. The additional bond issuance fee collected and deposited into the general fund each year will be \$19,847 (\$119,059 multiplied by 16.67%).

## Various Bonding Agencies

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b><u>Expenditures:</u></b>				
Debt Service	\$19,847	\$19,847	\$19,847	\$19,847
<b>TOTAL Expenditures</b>	<b>\$19,847</b>	<b>\$19,847</b>	<b>\$19,847</b>	<b>\$19,847</b>
<b><u>Funding of Expenditures:</u></b>				
Proprietary (06)	\$19,847	\$19,847	\$19,847	\$19,847
<b>TOTAL Funding of Exp.</b>	<b>\$19,847</b>	<b>\$19,847</b>	<b>\$19,847</b>	<b>\$19,847</b>

## Department of Administration

<b><u>Revenues:</u></b>				
General Fund (01)	\$19,847	\$19,847	\$19,847	\$19,847
<b>TOTAL Revenues</b>	<b>\$19,847</b>	<b>\$19,847</b>	<b>\$19,847</b>	<b>\$19,847</b>

**Net Impact to Fund Balance (Revenue minus Funding of Expenditures):**

General Fund (01)	\$19,847	\$19,847	\$19,847	\$19,847
Proprietary (06)	(\$19,847)	(\$19,847)	(\$19,847)	(\$19,847)

**Technical Notes:****Department of Commerce**

1. HB 384 changes the fee for bond issuance in 17-5-1312 (2) (a), MCA, from 30 cents per thousand of bonds issued to 35 cents per thousand of bonds issued. This conflicts with the fee for issuance of bonds contained in 17-5-2201, MCA.

“17-5-2201. *Fee for issuance of bonds.* Except for issuers of general obligation bonds which are payable solely by general fund revenues, each state bond issuer shall, upon issuance of the bonds, pay 30 cents per thousand of bonds to be deposited in the state general fund for the purpose of funding a portion of the comprehensive annual financial report audit.”

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*